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# City of Fairfax NEWS RELEASE

Fairfax, Virginia 22030

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**FOR IMMEDIATE RELEASE**

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## Fairfax City Council Adopts Budget For Fiscal Year 2017-18

**FAIRFAX, Va.** — The City of Fairfax City Council has approved the city's \$140.0 million general fund operating budget for fiscal year 2017-18, an increase of \$4.5 million or 3.3 percent from the prior year. The total approved budget for all funds is \$173.0 million, a 4 percent increase from the previous fiscal year's budget. The city's fiscal year runs from July 1 to June 30.

The City Council set the real estate tax rate at \$1.06 per \$100 of assessed value, a decrease of .45¢ from the City Manager's proposed rate of \$1.0645 and a reduction from the previous year's adopted rate of \$1.062. The average residential homeowner's tax bill increases .8 percent, .2 percent savings based on the adopted rate of \$1.06 and a 1 percent increase in assessed values. This equates to an additional \$77 annual real estate tax based on the average residential home assessment of \$490,224. The average commercial property owner's tax bill increases by .7 percent from their prior year tax bill; based on an increase of 0.2 percent in commercial real estate values and a 1¢ increase in the Commercial and Industrial (C&I) tax rate to 10.5¢ per \$100 of assessed value. C&I funds are used exclusively toward new transportation projects in the city. Real estate taxes are assessed and paid on a calendar year basis.

The adopted budget includes a .25¢ increased allocation within the overall real estate tax rate dedicated to the city's Stormwater Fund from the fiscal year 2016-17 adopted rate of 2.25¢ to 2.50¢ for

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## ***(City of Fairfax Adopts Budget for Fiscal Year 2017-18, continued)***

fiscal year 2017-18 (included in the total real estate tax rate of \$1.06). These funds are used to address aging stormwater infrastructure and to meet current and future regulatory requirements.

The Old Town Service District tax rate remains unchanged at 6¢ per \$100 of assessed value.

The adopted General Fund budget funds Capital Fund expenditures of \$7.1 million (excludes debt service of \$1.9 million on capital projects), representing 5.1 percent of General Fund expenditures.

The city is contractually obligated to pay for City of Fairfax Schools instructional costs based on a per-student formula. Year by year, school tuition increased by \$1.4 million, or 2.9 percent.

City Council approved employee merit raises of up to 2.5 percent (\$235,000) for qualified General Fund employees, in addition to a 2.0 percent cost of living adjustment for General Fund employees, or COLA (\$566,000).

A wastewater utility rate increase of 10 percent was adopted to meet the significant number of capital projects and debt service costs relating to the city's share of upgrades for Fairfax County's Noman Cole wastewater treatment plant, the facility where the city's wastewater is treated.

Highlights of the adopted budget include:

- General Fund expenditures and revenues of \$140.0 million, an increase of 3.3 percent
- Expenditures for all funds total \$173.0 million, an increase of 4 percent
- Capital fund expenditures for General Fund supported projects of \$7.1 million
- Adopted real estate tax rate of \$1.06 per \$100 of assessed value.
- Assessed value of all real property increased \$59,903,400, a 1.0 percent increase to \$5,911,932,900.
- One cent on the real property tax rate is about \$609,193
- No change to the personal property tax rate of \$4.13 per \$100 of assessed value; however, the tax rate is set at 1¢ per \$100 of assessed value for qualifying disabled veterans.
- Commercial and Industrial real estate tax rate of 10.5¢ per \$100 of assessed value dedicated for transportation improvements, an increase from 9.5¢ from the fiscal year 2016-17 rate.
- Merit increases of up to 2.5 percent for eligible General Fund employees, and a 2.0 percent COLA for all employees (\$801,000 cost impact).
- Wastewater utility rate increase of 10 percent for continued support of the long-term capital improvement program.

***(City of Fairfax Adopts Budget for Fiscal Year 2017-18, continued)***

- Set aside of \$500,000 in surplus monies for anticipated required WMATA funding in future years.
- Funded the roll-out activities associated with the city's new branding effort.
- Increased funding for the City's Housing Renaissance Program from \$150,000 in FY17 to \$200,000 in FY18.
- Provided \$150,000 for streetscape improvements for Old Town Fairfax.
- Funding of \$100,000 from the General Fund in continued support for the Economic Development Opportunity Fund and \$160,000 for Economic Development Authority and Economic Development Office strategic initiatives.
- Additional personnel resources for the areas of Transportation Planning and Finance.

The adopted budget will be posted on the city website by July 1 at [www.fairfaxva.gov/government/finance/budget](http://www.fairfaxva.gov/government/finance/budget). A limited number of printed copies of the adopted budget also will be available by July 1 in the Finance Department, located in Room 312 at City Hall, 10455 Armstrong Street.

For information on the fiscal year 2017-18 adopted budget, contact Budget Manager Kerry Kidd at 703-385-7876 or [Kerry.Kidd@fairfaxva.gov](mailto:Kerry.Kidd@fairfaxva.gov).